

THE WORKING UNINSURED*

FACT SHEET

OVERVIEW

Over 42.6 million workers (the majority of the uninsured population) and their families do not have access to affordable, insurance through their employer.

Eighty percent of uninsured Americans live in households where at least one member of the household is employed.

“In more than three-quarters of families all members have health coverage, but in...one of seven-only some members are insured.”

About 9 million parents are uninsured.

The working uninsured are poor or near-poor, change jobs frequently, hold more than one job, have low wages, work part-time and work for small companies.

In 1998 over 45% of low-income workers were uninsured.

People Without Health Insurance for the Entire Year by Work Experience Current Population Reports, Health Insurance Coverage, 1999, US Census Bureau

	Work Experience 18-64 Years of Age	
	All	Poor
Worked During Year	17.4%	47.5%
Worked Full Time	16.4%	47.5%
Worked Part Time	22.4%	47.3%
Did Not Work	26.5%	40.8%

In Illinois about 29% of uninsured parents work. Estimates of the uninsured in Illinois are:

Estimates of the Uninsured in Illinois Prepared by: United Power for Action and Justice

Variable	Estimated Number Uninsured	Estimated Percent Uninsured
Total Uninsured-All Ages	1,700,000	14.1%
Employed in Firms Less Than 100 Workers (Age 18-64) Illinois	520,000	22.4%
Employed in Firms 100-1000 Workers (Age 18-64) Illinois	220,000	14.2%
Employed in Firms Greater Than 1000 Workers (Age 18-64) Illinois	280,000	11.5%

POLICY ALTERNATIVES

Expand SCHIP (KidCare) programs with state, and federally matched, dollars: (1) Bring parents of KidCare children in by expanding eligibility to allow parents. (2) Increase the income levels to include low and moderate income families.

Subsidize premiums for workers with Medicaid-eligible family members in employer-sponsored insurance programs through Section 1906 of the Social Security Act Health Insurance Premium Payment (HIPP).

Consider revenues from tobacco and alcohol taxes, hospital service, or other sources to create insurance options for people who contribute to premiums on a sliding scale based on income and family size.

Allow federal subsidies of employee premium contributions to employer-sponsored insurance as a tax credit (convenient to employee, ease of administration to employer, mechanism in place through IRS, and continues the employer-based benefits concept).

Encourage private purchasing pools allowing individuals and/or small businesses to buy-in or purchase coverage in some existing health insurance program, such as Medicaid/S-CHIP, Medicare, or state or federal health insurance programs.

Subsidized reinsurance to provide for claims in some range (example: Healthy New York) or above some level. This could reduce the cost of insurance overall, increase participation by employees and employers, protect individual carriers in the marketplace and provide stability to the private market.

The rate of increase of insured persons is greater for the pre-Medicare population than any other adult group. Employer based insurance becomes less accessible with retirement and the pre-elderly (age 55-64) may confront adverse changes in health insurance status, employment, and positions that will be detrimental to their standard of living as they approach and/or enter retirement. Prior to retirement some alternatives might include: (1) subsidized vouchers for those with low life time earnings, (2) prepayment through voluntary Roth IRA type savings programs allowing distributions to be used to defray costs of private-market insurance or buy-ins to state, federal, or Medicare programs, and/or (3) expansion of COBRA or sliding scale premiums based on income levels.

Creative use of Medicaid 1115 waiver to subsidize low-wage self employed individuals and firms in an insurance partnership with the state. Subsidize low-wage workers to pay health insurance premiums (example: MassHealth Family Assistance Program).

Of the 44 million uninsured approximately 25% of them are young adults between the ages of 19 – 29. Three-quarters of them have income levels below 200% FPL., 3/4s of them work for employers who offer no ESI (39%) or they are ineligible to participate (30%). Initiatives that would help young adults could include: (1) low-wage firms extending health coverage to their

employees, and (2) extend private and/or public coverage to families with only a small increase in premiums.

Nearly 40% of Hispanics under age 65 do not have insurance...nine of the 11 million uninsured Hispanics are in working families.

Strategies that would help many minority and ethnic populations are: (1) encourage employer sponsored insurance, (2) subsidies in the private market.

Note: Most strategies that assist uninsured workers as a group (ages 18-64) will have positive cross-over effects on other sub-groups, such as young adults and many minority and ethnic groups.

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